

***United States Court of Appeals  
for the Second Circuit***



**APPENDIX**





# 76-1349 ORIGINAL

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In The  
**United States Court of Appeals**  
For The Second Circuit

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B  
Pg 5

GRAND JURY SUBPOENA DUCES TECUM.

Served Upon

AUTOMATED BREAD DISTRIBUTORS, CORP.,

*Respondent-Appellant.*

---

**APPENDIX FOR  
RESPONDENT-APPELLANT**

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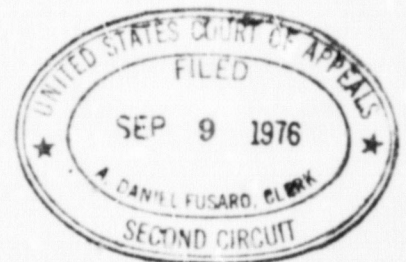
IRVING MANDELL

*Attorney for Respondent-Appellant*

110-11 Queens Boulevard

Forest Hills, New York 11375

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## DOCKET ENTRIES

1a

207/1s 76 1078 06 10 76 3

890 11

Quash

Subpoena

0715

PLAINTIFFS

DEFENDANTS

IN RE GRAND JURY SUBPOENA DUCES TECUM  
Served upon

AUTOMATED BREAD DISTRIBUTORS, CORP.,

## CAUSE

Rules 6 and 17(c) F.R.Cr.P.  
MOTION TO QUASH A SUBPOENA

RELATES: 75 C 935

## ATTORNEYS

FOR RESPONDENT:

Irving Mandell

110-11 Queens Blvd.

Forest Hills, N.Y. 11375

(212) 261-3050

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CHECK  
HERE  
IF CASE WAS  
FILED IN  
FORMA

DATE

FILING FEES PAID

RECEIPT NUMBER

C.D. NUMBER

STATISTICAL CARDS

CARD

DATE MAILED

JS-5

JS-6

ATE	NR.	PROCEEDINGS	
0-76		Motion and memorandum of law to quash a subpoena, ret 6-16-76 at 10 A.M. filed.	(1/2)
13-76		Affidavit of Richard L. Shanley in opposition to motions to quash subpoena and discharge grand jury filed.	(3)
6-76		Before MISHLER, CH. J.--Case called for respondent's motion to quash grand jury subpoena. Case reassigned to Judge Neaheer.	---
16-76		Before NEAHER, J. Case called. Case adj'd to 7-21-76.	
0-76		Reply affirmation of Irving Mandell file with Respondent's brief filed.	(4/5)
1-76		Before NEAHER, J.-- Case called for motion to quash subpoena Respondents motion to quash grand jury subpoena and discharge the grand jury was argued and denied	
12-76		By NEAHER, J. Order dtd 7-22-76 that the motion to quash the Grand Jury subpoena duces tecum dtd 5-27-76 is denied etc filed. p/cl mg	(6) <i>file</i>
27-76		Notice of appeal for respondent filed.	(7)
9-76		\$250.00 deposited in the Registry of the Court in lieu of Bond.	---
19-76		Unsigned order to show cause filed.	(8)
19-76		By NEAHER, J.-- Order staying the appearance of Automated Bread until appeal is decided filed.	(9)
1-76		By NEAHER, J.-- Order dtd. 7-30-76 withdrawing the order of 7-29-76 that appearance of Automated Bread be stayed until appeal is decided on condition that Automated complies with the FRCP and rules of USCA in such cases provided filed.	(10)
9-76		Sten transcript dtd. 7-21-76 filed.	(11)
17-76		Civil appeal scheduling order filed.	(12)
8-76		Certified copy of order for a special grand jury filed.	(13)

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**NOTICE OF MOTION TO QUASH SUBPOENA AND TO DISCHARGE  
GRAND JURY AND OTHER RELIEF DATED JUNE 9, 1976**  
UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

----- -x

IN RE GRAND JURY SUBPOENA DUCES TECUM :  
served upon :

AUTOMATED BREAD DISTRIBUTORS, CORP., :

Respondent :

NOTICE OF MOTION

76-C-1078

----- -x

S I R :

PLEASE TAKE NOTICE that upon the annexed affidavit of MARK JACOBSON, duly sworn to the 9<sup>th</sup> day of June, 1976, the Subpoena Duces Tecum dated May 27, 1976 and the accompanying Memorandum of Law, the undersigned will move this Court on behalf of Automated Bread Distributors, Corp. before a Motion part thereof, at the United States Courthouse, located at 225 Cadman Plaza East, Borough of Brooklyn, City and State of New York on the 16th day of June, 1976, at 10:00 o'clock in the forenoon of that day; or as soon thereafter as counsel can be heard, for the following relief:

I. For an Order pursuant to Rule 17(c) of the Federal Rules of Criminal Procedure quashing the subpoena herein on the ground that compliance would be unreasonable and oppressive and would violate Respondent's right under the Fourth Amendment to the Constitution to be free from unreasonable searches and seizures;

said subpoena having been issued in bad faith and for the sole purpose of harassing respondent .

II. For an Order pursuant to Rule 6(g) of the Federal Rules of Criminal Procedure ("FRCP") discharging the Grand Jury because it has served longer than the period allowed by law.

III. For an Order pursuant to Rule 6(g) and Rule 48 discharging the Grand Jury because of the unnecessary delay of the Special Attorney in presenting his evidence, if any, to the Grand Jury.

IV. For an Order discharging the Grand Jury because of improper disclosures of confidential and secret information by the Special Attorney and other law enforcement personnel to a newspaper reporter who thereafter published a libelous article concerning the President of the Respondent based on said disclosures; or in the alternative directing an evidentiary hearing as to whether such disclosures were in fact made and to whom they were made.

V. For an Order discharging the Grand Jury because it is now so dominated by the Special Attorney and his associates as to preclude its historically intended role of standing between the accuser and the accused.

VI. For such further Orders as to this Court may seem



just and proper.

Dated: Queens, New York  
June 9<sup>th</sup>, 1976.

Yours, etc.,

IRVING MANDELL  
Attorney for Respondent  
Office & P. O. Address  
110-11 Queens Blvd.  
Forest Hills, N. Y. 11375  
(212) 261-3050

By Irving Mandell  
Irving Mandell

TO: HON. DAVID G. TRAGER  
United States Attorney  
Eastern District of New York  
United States Courthouse  
225 Cadman Plaza East  
Brooklyn, New York 11201

**AFFIDAVIT OF MARK JACOBSON IN SUPPORT OF MOTION**  
**(Dated June 9, 1976)**

UNITED STATES DISTRICT COURT  
 EASTERN DISTRICT OF NEW YORK

----- -x

IN RE GRAND JURY SUBPOENA DUCES TECUM :  
 served upon :

AUTOMATED BREAD DISTRIBUTORS, CORP., : AFFIDAVIT

Respondent :  
 :

----- -x

STATE OF NEW YORK }  
 COUNTY OF QUEENS } s.s.:

MARK JACOBSON, being duly sworn, deposes and says:

1. I am the President of the Respondent Automated Bread Distributors, Corp. ("Automated"), and I am familiar with the affairs of the company. I submit this affidavit in support of Respondent's Motion to quash the Subpoena Ducos Tecum dated May 27, 1976, served upon Automated (Exhibit "A") and for the other relief requested by the Respondent herein.

2. A reading of the subpoena does not clearly reveal the "target" of the Grand Jury investigation allegedly being conducted by Richard L. Shanley, Special Attorney for the "Strike Force". Thus, although the subpoena is directed to Automated and presumably relates to its books and records, it also calls for Automated's records "which pertain, refer, or relate to sales by Silvercup Bakers, Inc. and Ranger Bakers, Inc. ... to Waldbaums ... for the period January 1, 1973 through December 31, 1974".



3. It is submitted that the subpoena does not disclose whether Automated, Silvercup, Ranger or Waldbaums or any two or more of said companies is under investigation by the Grand Jury. Respondent therefore demands that it be advised by Mr. Shanley or his superiors whether Automated is a witness in an investigation involving other companies or whether it is in fact the "target" of this investigation.

4. This information is particularly crucial in view of the fact that on October 7, 1975 Automated received notice from the Internal Revenue Service (IRS) that its tax return for the year 1974 was to be audited. (Exhibit "B"). Thereafter the signatory of that notice, a Mr. Bienstock who characterized himself as a Revenue Agent was permitted to examine Automated's records at his will. He was given full cooperation by Automated's accountants who made their work sheets available to him. I understand that Mr. Bienstock advised our accountants that he was satisfied with his audit but that he would have to obtain the approval of his superiors. To date neither I nor Automated's accountants have heard from Mr. Bienstock.

5. However, I became concerned about Mr. Bienstock for reasons hereafter set forth and had my attorney make written inquiry of Mr. Bienstock whether he was a "Special Agent", or whether he was acting on behalf of any law enforcement agency in conducting his audit and whether the audit was other than "routine". (Exhibit "C").

6. On May 5, 1976 , I received a letter dated almost three weeks earlier, but not from Mr. Bienstock, which letter totally ignored my attorney's inquiry (Exhibit "D"). It appears therefore, that as I write this affidavit, Automated's right to full disclosure of the information it requested has been deliberately ignored. Indeed, it now appears that Automated's books and records may have been examined by means of misrepresentations of an IRS agent acting in concert with the Strike Force. I understand that under recent decisions of the Supreme Court of the United States such actions are illegal.

7. Furthermore, until our inquiry as to the identity of Mr. Bienstock has been fully answered, the subpoena of Automated's books and records is premature, since the IRS examination may have been unlawful.

8. Since the subpoena which is the subject of Respondent's motion, was served shortly after Automated's inquiry about Mr. Bienstock's identity, I can only conclude that the subpoena has been served in bad faith, is punitive and intimidating in intent, and has been served solely to harass Automated.

9. For this reason alone, it is submitted that the Special Attorney has abused his authority and that the subpoena should therefor be quashed.

10. Assuming, arguendo, that the Special Attorney states under oath that Automated is not the target of an investigation, but merely another witness in a long line of witnesses



who have been subpoenaed to the Grand Jury in an investigation involving Silvercup and/or Ranger, there are even more compelling reasons why the subpoena should not only be quashed but the Grand Jury discharged. These background facts are pertinent.

11. I am the President of Ranger which acquired certain assets of Silvercup (then in Chapter XI) on October 29, 1974 pursuant to an Order of the Bankruptcy Court. (Exhibit "E"). Aside from the fact that I am an officer of both Ranger and Automated, the companies are separate and distinct entities and conducted their business operations out of entirely separate premises.

12. I never owned any interest in Silvercup Bakers, Inc., nor was I ever a director, shareholder or officer of that corporation.

13. Immediately after Ranger acquired Silvercup's assets our troubles began. Ranger's premises were visited by an IRS Revenue Agent named Martin Senzer. Upon being referred to our then attorney, Mr. Senzer said that he knew that I and my Ranger's comptroller, Robert Goldstein, had been convicted of income tax evasion.

14. That statement was blatantly false! I have never been charged with or convicted of any crime. I am 26 years old, married and have one child. I attended college until my marriage. I work day and night to make a reputable future for myself and my

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family. To the best of my knowledge, the aforesaid Robert Goldstein has an unblemished record as well.

15. Shortly thereafter, Silvercup's books and records were subpoenaed by the Grand Jury and were delivered to it. That subpoena was served approximately 18 months ago. Presumably it was the same Grand Jury before which Automated is now commanded to appear.

16. While I was struggling to turn Ranger into a successful business and, in fact, making progress, a series of articles were published by the New York Daily News in April, 1975, under the byline of a reporter named Kirkman in which my father and other members of the Jacobson family were depicted as members of organized crime.

17. Following these articles, on May 9, 1975, more than one year ago, the same Special Attorney, Mr. Shanley, subpoenaed the records of Ranger "for the period January 1, 1974 to May 9, 1975" (Exhibit "F"), notwithstanding the fact that Ranger had not been chartered until October 9, 1974. (Exhibit "G"). A motion to quash that subpoena was denied by Judge Mishler upon the Government's representation that it was seriously engaged in an investigation of criminal activities. I have been advised that Judge Mishler indicated doubt as to the purpose of that subpoena and limited the disclosure sought by Mr. Shanley. (Exhibit "H").

18. I honestly believe that because of Judge Mishler's



prior comments involving the subpoena last year on Ranger, that the Strike Force used Mr. Bienstock of the IRS to obtain information about Automated without disclosing his true identity.

19. The Grand Jury has thus thoroughly examined the records of Silvercup and Ranger under prior subpoena and Automated has no additional records of those companies.

20. Aside from those subpoenas, the Grand Jury subpoenaed Ranger's insurance agent (Exhibit "I"), for some esoteric reason. It also sent FBI agents to intimidate Ranger's vendors and customers by advising them that Ranger was "mob-controlled". The "mob" is allegedly my father Samuel Jacobson, who never owned any stock in Ranger, nor ever served as an officer, director or employee of that company.

21. In passing, I must point out to this Court that my father has been under an intensive and ongoing investigation by law enforcement agencies, including the Strike Force, for at least 10 years. Notwithstanding the expenditure of millions of dollars of the taxpayers money in that investigation which is still in progress, my father has never been convicted of a crime.

22. It is obvious that the Strike Force and its allied arms, the FBI and the Internal Revenue Service with the aid of the New York Daily and Sunday News do not intend to allow me to live a normal life simply because I am my father's son.

23. This fact is patently clear from an article which appeared in the New York Sunday News on May 11, 1975 under the

by-line of reporter Kirkman who stated that Silvercup/Ranger was "Mob-Controlled", that my father Samuel Jacobson, (the alleged mobster), had set me up as a front for Silvercup/Ranger and that he, in fact, ran the companies from behind the scene. (Exhibit "J").

24. Although I wrote to the Editor of the News denying the accusation, my letter was not published. Although requested to do so, the News refused to sell my father space to refute the falsehoods contained in the article. As a result, my father purchased and published his rebuttal in the New York Times, the New York Post and the L. I. Press. (Exhibit "K").

25. Thereafter, I personally and Ranger sued Mr. Kirkman, the reporter who wrote the libelous article and the News which published it for damages totalling \$35,000,000.00. (Exhibit "L").

26. On March 31, 1976 I was examined before trial at the offices of the attorneys for the News. During that examination I named a large customer of Mfunet Ranger with which Automated does business. That same afternoon the customer received a phone call from an FBI Agent named Taylor asking for the companies books and records involving transactions with Ranger. Mr. Taylor advised the customer that the customer would be subpoenaed within two weeks by the Grand Jury. In fact the customer was subpoenaed and appeared before the Grand Jury some weeks later. What was the purpose of Mr. Taylor's call except to intimidate Automated's customer? Why the prior warning? Why was



the subpoena not served routinely without advance warning?

27. I also understand that FBI agents have intimidated acquaintances of my father subsequent to the commencement of my multi-million dollar suit against the News, and that inducements have been offered by the FBI to these persons in return for helping the Strike Force "get something" on Sam Jacobson.

28. I believe that this recent flurry of activity is not coincidental but that it is directly related to my libel suit against the News. I believe that upon my examination before trial of Edward Kirkman the reporter who wrote the libelous article, it will be revealed that secret, non-public information was made available to him and he was improperly given access to secret reports by law enforcement personnel in violation of Rule 6(e) of the Federal Rules of Criminal Procedure.

29. I believe, indeed, that the Strike Force has used the Daily and Sunday News as a vehicle to disseminate vicious, spiteful and false stories about me and the Jacobson family, which it could not prove in a Court of Law.

30. Naturally the Special Attorney will deny this, but I propose that such denials are inadequate. I respectfully request a hearing by this Court to determine whether such leaks have occurred. Only at such a hearing can the truth be determined once and for all and if I prove my charge as I believe I can, the Grand Jury should be discharged.

31. It is noteworthy that the latest subpoena again

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seeks records involving one of Automated's largest customers - Waldbaum. The prior subpoena was served upon Automated's customer Key Foods when I started pre-trial examinations in the News lawsuit. Small accounts are not bothered by Mr. Shanley for obvious reasons. I believe that this latest move contains a message by the Strike Force that it will continue to harass me and intimidate my biggest customers unless I abandon my suit against the News which suit will disclose improprieties by law enforcement agencies. The Strike Force has thus used the Grand Jury for purposes never contemplated nor intended by the Fifth Amendment to the Constitution of the United States.

32. There is no longer any doubt in my mind that the Special Attorney's office has abused its power of subpoena, has served subpoenas in bad faith and has used them as a means of harassing and intimidating innocent third parties with the hope of "getting" the Jacobsons. In so doing the Special Attorney has subverted the clear function of the Grand Jury as intended by our founding fathers and has attempted to manipulate and use the Grand Jury as a coercive force against the Jacobsons individually and against companies in which we have an interest. Since the Grand Jury is no longer involved in a bona fide investigation, (through no fault of its own), it should be discharged.

33. There are numerous other instances which have occurred during the past few years showing a pattern of harassment



by law enforcement agencies and the "F" against me, my father and companies in which we have an interest. Rather than burden this Court with a recital of these acts, I respectfully refer the Court to the file in a prior motion to quash the Subpoena on Ranger Bakers, served in May, 1975, and more particularly to the affidavit in support of that motion where some of these details are set forth. (75 C 925).

34. I also respectfully refer this Court to a multi-million dollar action by me and Ranger against the Strike Force, the IRS and certain individual members of the IRS (Exhibit "M"), arising out of actions by said defendants which ultimately caused the demise of Ranger on November 15, 1975. The closing of its business resulted in the loss of 500 jobs with a cost to the State of New York of hundreds of thousands of dollars in Unemployment Insurance benefits.

35. Although the action against the IRS was dismissed by Hon. Edward R. Weaher for want of jurisdiction, we have appealed his decision to the Circuit Court. Judge Weaher also dismissed the action against the Strike Force on the grounds that, "The Strike Force not being a juridical entity subject to suit ex nomine, the Court lacks subject matter jurisdiction of the action". No appeal has been taken. However, we have not ruled out an action against the individual law enforcement agents who may have participated in illegal acts against us under the

doctrine recited by the Supreme Court in *Divens v. Six Unknown Named Agents*, 403 U.S. 383 (1971).

36. It is now approximately 18 months that I know of that the Grand Jury has been hearing "evidence" presented to it by Mr. Shanley and his associates which presumably involve companies in which I have or had an interest. I understand that Rule 6(g) of the Federal Rules of Criminal Procedure mandates the dismissal of the Grand Jury after it has served a maximum of 18 months. Aside from that mandate I am advised, as will more particularly be shown in an accompanying Memorandum of Law that this Court is empowered to discharge a Grand Jury at any time when there has been an unreasonable delay in bringing its business to a speedy conclusion.

37. I believe that the Special Attorney has deliberately delayed his investigation beyond the time allowed by law solely for the purpose of keeping pressure on the Jacobsons and harassing our business activities.

38. It is clear to me that this Grand Jury is so firmly under the control of the Special Attorney's office that it is unable to fill its historically intended role of standing between the accuser and the accused. Indeed the Special Attorney has assumed the role of the ancient monarch whose oppressive acts the Grand Jury traditionally was supposed to control.

39. There can be no doubt that during the past year



my name and the name of my father has been heard on numerous occasions by at least 16 and perhaps as many as 23 persons constituting the Grand Jury. Since the Grand Jury inquiry is in the nature of a criminal proceeding my name has been tainted. These jurors have not been sequestered. They read the newspapers. Perhaps some have read the libelous News story. How can they deliberate fairly?

40. Although admonished not to discuss what transpires in the Grand Jury room it is hard to believe that the Jacobson name has not gained notoriety not only among the Jurors but also among family and friends of the Jurors. Thus a further delay in terminating the Grand Jury investigation merely serves to prolong the stigma of being the subject of a criminal inquiry by the Grand Jury. The constitution mandates that each person charged with a crime be afforded a speedy trial in order to safeguard his rights. No lesser safeguard should be afforded me since I have never been charged with having committed any crime at all.

41. Finally it is clear from a reading of the subpoena that it is vague, illogical, unreasonable and oppressive. Automated does not have records of Silvercup's sales or Ranger's sales. Those companies have their own records which have previously been subpoenaed by the Grand Jury. Furthermore, since Ranger was not chartered until October 9, 1974, it has no records going back to January 1, 1973.

42. Automated is now called upon to produce voluminous records covering all of its business transactions; e.g., cash receipts ledger, cancelled checks, cash disbursements ledger, accounts receivable ledger, for a two year period involving all of its transactions, not only those involving Waldbaum. If ever a Subpoena was used as a fishing expedition this is the classic case. The Special Attorney is merely seeking entry into new areas in order to prolong his vendetta. For this reason the subpoena should be quashed.

43. For the aforesaid reasons, and the arguments contained in Respondent's accompanying Memorandum of Law, in the interest of the fair administration of justice and in the interest of affirming the integrity of the Grand Jury system, Respondent respectfully requests this Court:

I. For an Order pursuant to Rule 17(c) of the Federal Rules of Criminal Procedure quashing the subpoena herein on the ground that compliance would be unreasonable and oppressive and would violate Respondent's right under the Fourth Amendment to the Constitution to be free from unreasonable searches and seizures; said subpoena having been issued in bad faith and for the sole purpose of harassing respondent.

II. For an Order pursuant to Rule 6(g) of the Federal Rules of Criminal Procedure ("FRCP") discharging the Grand Jury because it has served longer than the period allowed by law.




III. For an Order pursuant to Rule 6(g) and Rule 43 discharging the Grand Jury because of the unnecessary delay of the Special Attorney in presenting his evidence, if any, to the Grand Jury.

IV. For an Order discharging the Grand Jury because of improper disclosures of confidential and secret information by the Special Attorney and other law enforcement personnel to a newspaper reporter who thereafter published a libelous article concerning the President of the Respondent based on said disclosures; or in the alternative directing an evidentiary hearing as to whether such disclosures were in fact made and to whom they were made.

V. For an Order discharging the Grand Jury because it is now so dominated by the Special Attorney and his associates as to preclude its historically intended role of standing between the accuser and the accused.

VI. For such further Orders as to this Court may seem just and proper.

  
Mark Jacobson

Sworn to before me this  
7th day of June, 1976.

IRVING MANTILL  
Notary Public - State of New York  
No. 41 2691326 Queens County  
Term Expires March 30, 1981.

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EXHIBITS ANNEXED TO FOREGOING AFFIDAVIT



United States District Court  
FOR THE

EASTERN DISTRICT OF NEW YORK

To Automated Bread Distributors, Inc.  
47-50 Van Dam Street  
Long Island City, Queens, N.Y.

You are hereby commanded to appear in the United States District Court for the Eastern  
District of New York at 225 Cadman Plaza E. in the city of  
Brooklyn on the 9th day of June 1976 at 10 o'clock A.M. to  
testify before the Grand Jury and bring with you<sup>1</sup>

all records of your company which pertain, refer, or relate to sales by  
Silvercup Bakers, Inc. and Ranger Bakers, Inc. of private label bread products  
to Waldbaums, Inc. in which your company participated, including but not limited  
to: cash receipts ledger, cash disbursements ledger, accounts receivable ledger,  
accounts payable ledger, cancelled checks, bills and invoices, vouchers, sales dis-  
count records, purchase discount records, sales journals, records of advances,  
and loans to Silvercup Bakers, Inc. and Ranger Bakers, Inc., and supporting  
subsidiary records for the period January 1, 1973 through December 31, 1974

This subpoena is issued on application of the U.S. Government. LEWIS ORGEL

Richard L. Shanley  
Special Attorney

Clerk.

Date May 27th, 1976.

By

*Frank J. P...*  
Deputy Clerk.

1. Strike the words "and bring with you" unless the subpoena is to require the production of documents or tangible things, in which case the documents and things should be designated in the blank space provided for that purpose.

RETURN

EXHIBIT B - IRS NOTICE OF AUDIT TO AUTOMATED BREAD  
Address any reply to DISTRICT DIRECTOR at office No. \_\_\_\_\_

21a

Department of the Treasury



District Director  
Internal Revenue Service

Date:

10 1 15

In reply refer to:

1306

Automated Bread Distribution  
5701 Foster Avenue  
Brooklyn NY 11236

Tax Return or Document:

1120

Year:

11/1/14

Agent:

John R. [unclear]

Telephone Number:

516 3365

Dear Taxpayer:

Your above described tax return or document for the year indicated has been assigned to the above named agent for examination.

Please communicate with the agent, using the address or telephone number shown above, to arrange a date that will be mutually satisfactory.

Your reply within 10 days will be appreciated.

Sincerely yours,  
District Director



EXHIBIT C - LETTER FROM IRVING MANDELL TO MR. BIENSTOCK  
DATED APRIL 5, 1976

April 5, 1976

Mr. S. Bienstock  
Internal Revenue Service  
P.O. Box 991  
Brooklyn, New York 11202  
Group 1109 : SB

Dear Mr. Bienstock:

I am the attorney for Automated Bread Dist. Corp. I understand that you have been conducting and are continuing to conduct an audit of Automated's Tax Return for the year 9/30/74.

Kindly advise me whether you are a Special Agent assigned to this matter or, if not, whether you have been or are acting on behalf of or in conjunction with or under the instructions of any law enforcement agency.

In short, my client is interested in knowing whether your examination of its books and records is a "routine" examination or otherwise. You are no doubt aware of recent decisions of the Supreme Court requiring that the taxpayer be advised of its Constitutional rights in the event that the examination is other than routine. That is why this request is made of you.

Please be assured that upon receiving the assurances requested, Automated will continue to cooperate as it heretofore has in continuing the audit of its Return.

Very truly yours,

IRVING MANDELL

EXHIBIT D - LETTER FROM IRS SERVICE CENTER NORTH ATLANTIC  
REGION TO AUTOMATED DATED AP. IL 20, 1976

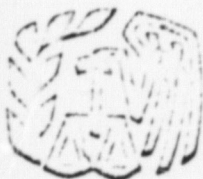
236

Address any reply to: P.O. Box 700, Holtsville, N.Y. 11742

Department of the Treasury

Internal Revenue  
Service Center TAB:760000:PMC  
North-Atlantic Region

Date: APR 20 1976 In reply refer to:  
ESC-288



ACTUALLY  
RECEIVED  
5/18/76

> Automated Bread Distributors Corp.  
47-50 Van Dam St.  
Long Island City, NY 11101

Social Security or  
Employer Identification Number: 11-2290736  
Form Number: 941  
Tax Period Ended: June 30, 1975

Dear Taxpayer:

Thank you for your recent inquiry.

We regret that we have been unable to give you a reply as promptly as we would like. The paragraph checked below applies to your case.

- ☒ We are working on your account and will contact you again as quickly as we can.
- ☐ We have recently completed an adjustment to your account and within the next four weeks you will receive a notice of any difference in the tax liability or other change. Please let us know if the notice of adjustment does not answer your questions.

If you need to contact us again, please furnish both of the numbers and the tax period ended date shown at the top of this letter.

Thank you for your patience.

Sincerely yours,

Arthur E. Ireland

Chief, Tax Assistance Section

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EXHIBIT E - ORDER OF HON. C. ALBERT PARENTE, BANKRUPTCY  
JUDGE, DATED OCTOBER 29, 1976 AUTHORIZING SALE OF SILVERCUP'S  
ASSETS TO RANGER BAKERS, INC.

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----x

In the Matter

of

SILVERCUP BAKERS, INC.,

Debtor.

In Proceedings for an  
Arrangement No. 74 B 377

ORDER AUTHORIZING SALE OF  
ASSETS TO RANGER BAKERS INC

-----x

At Jamaica, New York, in said District, on the  
29th day of October, 1974.

An order to show cause seeking authorization to  
sell certain assets of the debtor and debtor in possession to  
Ranger Bakers Inc. having duly come on to be heard before me  
on the 29th day of October, 1974, and upon said order to show  
cause dated October 23, 1974, and the application in support  
thereof, and it appearing that due notice has been given to  
all creditors and all other interested parties in accordance with  
the provisions of said order to show cause, and after hearing  
Levin & Weintraub, Esqs. in support thereof, and upon the testimony  
adduced at said hearing, and upon the subjoined consent of the  
attorneys for the Official Creditors' Committee and sufficient  
cause appearing therefor, it is

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NOW, on motion of LEVIN & WEINTRAUB, attorneys for the debtor and debtor in possession.

ORDERED, that the debtor and debtor in possession be and they hereby are authorized to sell to Ranger Bakers Inc. all trade names, trademarks, service marks and all other copyrighted and patented properties of Silvercup Bakers, Inc., all trade routes of Silvercup Bakers, Inc. and all other good will of Silvercup Bakers, Inc. related thereto for the sum of \$100,000.00 free and clear of all liens and encumbrances which may exist thereon, and it is further

ORDERED, that the debtor and debtor in possession be and it hereby is authorized to sell to Ranger Bakers Inc. the interest of the debtor and debtor in possession in all machinery and equipment located at 42-25 21st Street, Long Island City, New York together with all inventory located at said premises for the sum of \$1,000.00, said sale to be free and clear of any and all statutory liens and encumbrances which may exist thereon but subject to any and all contractual liens which may exist thereon, statutory liens, if any, to attach to the proceeds of this sale, and it is further

ORDERED, that Ranger Bakers Inc. be and they hereby



are authorized to collect the accounts receivable of the debtor and debtor in possession existing as of the date of this order provided, however, that Ranger Bakers Inc. shall satisfy the obligations of the debtor and debtor in possession to secured creditors holding security interests in said accounts receivable as these accounts receivable are collected and shall pay over any excess realized on the collection of said accounts receivable to the debtor and debtor in possession or to a Trustee in Bankruptcy if one is appointed in these proceedings.

OF ALBERT PARENTE  
Bankruptcy Judge

The foregoing Order is hereby consented to  
FINKEL, NADLER & GOLDSTEIN, ESQS. and  
MARCUS & ANGEL, ESQS.

*Marcus & Angel*

Attorneys for Official Creditors' Committee

A TRUE COPY	
BANKRUPTCY JUDGE	
U. S. DIST. CT., E. D. N. Y.	
OCT 29 1974	
ATTEST: <i>Marianne Delina</i>	CLERK

Ordered that Ranger Bakers Inc. be and it hereby is directed to pay all tax liabilities OF the debtor in possession representing monies withheld from salaries of employees for the Payroll periods ending Oct. 19, 1974, Oct. 26, 1974 and through Oct. 29, 1974 and Further is directed to pay all payroll for the week ending Oct. 26 1974 and through Oct. 29, 1974.

EXHIBIT F - GRAND JURY SUBPOENA TO RANGER BAKERS, INC.  
DATED MAY 9, 1975

27a

FOR THE

EASTERN DISTRICT OF NEW YORK

Custodian of Records  
To Ranger Bakers Inc., dba  
Silvercup Bakers, Inc.  
42-25 25th St.  
Queens, N.Y.

You are hereby commanded to appear in the United States District Court for the Eastern  
District of New York at 225 Cadman Plaza East, Rm. 479-80 in the city of  
Brooklyn on the 2nd day of June 1975 at 10 o'clock AM. to

testify before the Grand Jury and bring with you<sup>1</sup>  
all books and records, documents and correspondence, including but not  
limited to:

general ledger, cash receipts ledger, cash disbursements  
ledger, cancelled checks and check stubs, accounts payable ledger, including  
subsidiary ledger, accounts receivable ledger, including subsidiary ledger,  
loans payable ledger, loans receivable ledger, corporation minutes, stock transfer  
ledger, sales journal, and payroll journal, together with any and all supporting  
documents, for the period 1/1/74 to date.

This subpoena is issued on application of the U.S. Government.

RICHARD L. SHANLEY  
SPECIAL ATTORNEY  
(212) 596-3021

DAVID ORGER

Clerk.

Date May 9, 1975

By

*Stuart Gussner*  
Deputy Clerk.

1. Strike the words "and bring with you" unless the subpoena is to require the production of documents or tangible things, in which case the documents and things should be designated in the blank space provided for that purpose.

RETURN

Received this subpoena at \_\_\_\_\_ on \_\_\_\_\_  
and on \_\_\_\_\_ at \_\_\_\_\_ I served it on the  
within named \_\_\_\_\_  
by delivering a copy to \_\_\_\_\_ and tendering<sup>2</sup> to \_\_\_\_\_  
allowed by law. the fee for one day's attendance and the mileage

Date \_\_\_\_\_, 19\_\_\_\_

By \_\_\_\_\_

Service Fees

Travel \$

Services

Total \$



EXHIBIT G - COPY OF FILING RECEIPT OF SECRETARY OF  
STATE - DIVISION OF CORPORATIONS FOR RANGER BAKERS,  
INC. DATED OCTOBER 9, 1974

STATE OF NEW YORK DEPARTMENT OF STATE  
DIVISION OF CORPORATIONS AND STATE RECORDS  
ALBANY

### FILING RECEIPT

TYPE OF CERTIFICATE	
Incorporation (Business)	L
CORPORATION NAME	DATE FILED
RANGER BAKERS, INC.	10/9/74
DURATION & CO. CODE	FILM NO.
P 41	A 186707-4
NO. AND KIND OF SHARES	
200 nny	
LOCATION OF PRIN. OFFICE	COMMENT
NYC QUEENS CO	
ADDRESS FOR SERVICE OF PROCESS	
THE CORP 3 PAVIA & HARCOURT 63 WALL ST NY NY	
REGISTERED AGENT, IF ANY	
FILER AND ADDRESS	
RALPH GALASSO 63 WALL ST NEW YORK NY	
6 DOLL FEE TO COUNTY	
FEES AND/OR TAX PAID AS FOLLOWS:	
<input checked="" type="checkbox"/> CHK. <input type="checkbox"/> M.O. <input type="checkbox"/> CASH	
\$ 60	

\$ 50 FILING  
\$ 10 TAX  
\$ CERTIFIED COPY  
\$ CERTIFICATE

TOTAL \$ 60  
REFUND OF \$

TO FOLLOW

JOHN J. GHF771  
ACTING SECRETARY OF STATE

EXHIBIT H - ORDER OF HON. JACOB MISHLER DATED JUNE 26, 1975  
REGARDING GRAND JURY SUBPOENA SERVED ON RANGER BAKERS, INC.

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK  
-----

IN RE GRAND JURY SUBPOENA DUCES  
TECUM served upon

RANGER BAKERS, INC.,

Respondent.

75 C 935

Memorandum of Decision  
and Order

August 6, 1975  
-----

MISHLER, CH. J.

The Organized Crime and Racketeering Section of the United States Department of Justice having limited the scope of the subpoena by letter dated August 5, 1975, the motion of Ranger Bakers, Inc., to quash the subpoena is denied and the said corporation is directed to produce the following records before the grand jury on the 18th day of August, 1975, at 10:00 A. M.:

1. Cancelled checks, check stubs, and bank statements for the period October 29, 1976 through June 30, 1975;
2. Paid purchase invoices for the period October 29, 1975 through June 30, 1975.
3. Cash Receipt and Cash Disbursement Journals for the period October 29, 1976 through June 30, 1975;



4. Payroll Journals for the period  
October 29, 1975 through June 30, 1976.

The government shall have reasonable time to  
duplicate the records produced and the records shall there-  
upon be returned to Ranger Bakers, Inc.

SO ORDERED.

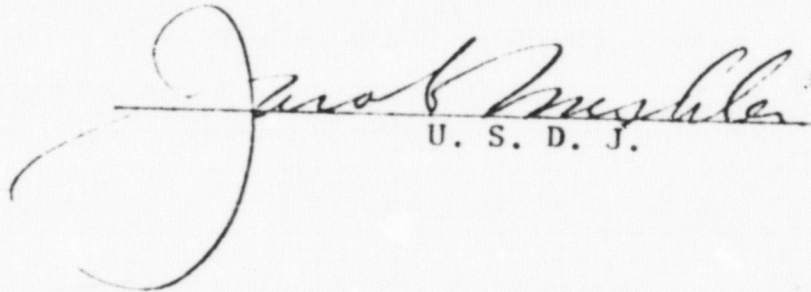
  
U. S. D. J.

EXHIBIT I - GRAND JURY SUBPOENA DATED AUGUST 11, 1975 SERVED  
ON LOUIS WALLACH

31a

AO Form No. 110 (Rev. 5-68)

Subpoena to Testify Before Grand Jury

United States District Court  
FOR THE

EASTERN DISTRICT OF NEW YORK

To Louis Wallach  
L.W.C. Agency  
9 Freer Street  
Lynbrook, New York

35 Tillary St  
Rm 327A

10 AM - Tuesday

You are hereby commanded to appear in the United States District Court for the Eastern District of New York

District of New York at 35 Tillary Street, Room 327-A in the city of Brooklyn on the 8th day of September 1975 at 10 o'clock A.M. to

testify before the Grand Jury and bring with you including but not limited to all policies, contracts, correspondence, payment records and memoranda, relating to transactions and accounts with Silvercup Bakers, Inc., Ranger Bakers, Inc., Classic Trucking Co., Rojo Trucking Co., Key Foods, Inc., Mark Jacobson and Samuel Jacobson.

Tel 371 5400 - Stanley Scheraga

This subpoena is issued on application of the United States Government

Richard L. Shanley  
Special Attorney  
212-596-3021

LEWIS ORGEL

Date August 11, 1975

By

Allen Jay Heyfield  
Clerk  
Deputy Clerk

RETURN

received this subpoena at  
and on  
within named

at

on

I served it on the

delivering a copy to and tendering to

the fee for one day's attendance and the mileage

followed by law.

~~Special Agent in Charge~~ ~~William J. Brennan~~

ate

19

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SUNDAY NEWS, MAY 11, 1975

# Tie Mob Guy to Thick Slice of Silvercup

By EDWARD KIRKMAN

Mob figure Sam Jacobson, who manages underworld kingpin Meyer Lansky's gambling cartel in this area, has set up his son Mark, 25, as president of the Silvercup Bakery, while he actually runs the company from behind the scenes.

Silvercup does a multimillion-dollar business, one of its larger customers being the New York City Board of Education, which has a \$1.6 million bread and rolls contract with the Queens-based firm.

A month-long investigation by The News uncovered Sam Jacobson's involvement with Silvercup, which, with great fanfare, was purchased out of bankruptcy by Sam's son, Mark, for \$101,000 last October. Mark Jacobson, of Great Neck, L.I., lists himself as the sole corporate officer of the firm. The firm, Ranger Bakery Inc., the debt-ridden Silvercup firm.

The News probe discovered that Sam, while not mentioned

the Police Department, the Organized Crime Task Force and the Brooklyn district attorney's office. Two years ago, when Sam was indicted in Brooklyn for allegedly running a \$50 million policy racket, his links to Attorney Eugene Gold. He is expected to go on trial soon on the gambling charges.

Nearly 1,000 Are Employed  
Silvercup has recently fallen on hard times. Federal tax liens which employ nearly 1,000 workers, City Council President Paul O'Dwyer and Queens Borough President Donald Manes,

along with other politicians, brought pressure on the federal government to stay action and keep the company in business.

The Board of Education awarded Silvercup its lucrative contract despite a lower bid from a New Jersey bakery while negotiations for sale of the company was going on between former owner Edward Hamilton and the Jacobsons. Hamilton has been retained by Silvercup as executive vice president.

## What O'Dwyer Heard

O'Dwyer said that he helped Silvercup long before the Jacobsons came into the picture. He also intervened with the Board of Education to have the bread contract awarded to a local bakery rather than an out-of-state bakery.

The City Council president said he first learned of Jacobsons during labor talks with the



Sam Jacobson  
Mark Jacobson  
Bread is their business

Teamsters. "I met the young fellow (Mark). All I heard was they (the Jacobsons) were bakers out of Baltimore. Apparently they were known to the unions, at least to the Teamsters. And that the old man (Sam) was putting up some

(Continued on page 57, col. 1)

## Tie Mob Guy Jacobson To a Chunk of Silvercup

(Continued from page 2)

money to put his son in business. Outside of that I didn't know what their connections were," O'Dwyer said.

O'Dwyer learned of Sam Jacobson's connections with organized crime in a recent series, "The Gang Nobody Knows," in *The News*. "I was surprised when I read about Sam Jacobson in the paper. But I wasn't used by them because I had nothing to do with the purchase."

As for Sam Jacobson's involvement in the firm, O'Dwyer said: "Really that isn't up to me to make a moral judgment." My job here is to save jobs. I can't really pass judgment. I don't think it's right but I don't think it's right for the bankers who charge us 9.5% interest either."

### Affirms Board's Decision

Although O'Dwyer admitted speaking to the Board of Education on behalf of Silvercup, Walter Kraus, director of the board's supportive services bureau, said that the acceptance of the Queens bakery was solely a board decision.

A New Jersey bakery had the board's business previously. They were not asked to submit a bid. "Frankly, the New Jersey outfit gave us pretty lousy service," said Kraus. However, that company submitted an unsolicited bid that was slightly under Silvercup's.

### Conflicting Statements

O'Dwyer had to intercede with the Board of Education two years ago when Silvercup was charged with the delivery of green bread. "The Silvercup plant is pretty old," O'Dwyer told *The News*. "Not only was the bread green but plaster had fallen off the ceiling and found its way into bread being sent to schools."

Before Mark Jacobson took over Silvercup on Oct. 29, 1974, he was interviewed under oath by Federal Bankruptcy Justice Albert C. Parente. Jacobson followed Edward Hamilton on the stand. Hamilton, of 22-50 78th St., Jackson Heights, Queens, said that the principals

and employees of Ranger Bakers (Mark's company) had a lot of experience in the baking industry. He was later contradicted by Mark, who said Ranger had been formed only three months before the sale.

The youthful Jacobson, in response to questions by Parente and lawyers for creditors, gave an account of his background and how he became a trucking tycoon while still a teenager.

The executive said that he was the sole owner and board member of Ranger. He said that there was no hidden ownership. He described himself as owner of two other companies, Automated Bread Distributors and Operative Cake, which he said, grossed \$10 million in 1974.

"I distribute bread and cake to over 300 supermarkets on a daily basis," said Jacobson. He said that he would put \$350,000 in working capital into Silvercup within 90 days.

Mark told how he started Automated Bread. "I built it from a business doing less than \$1 million in gross sales to an operation now doing approximately \$6 million a year," Jacobson said that he also had more than five years experience in the trucking business, starting as a summer employee when he was 16 years old.

Young Jacobson said that he worked for Albert Goldstein as an employee of Automated Transportation. He reported modestly that he was first "an under supervisor and then a supervisor." While still tender in years, Mark took over the trucking firm.

Mark landed an exclusive contract with Key Foods 100-store chain. "I put together the entire package of trucks and equipment that was needed," he said. Automated Trucking was dormant when I took it over. I reactivated the corporation which still does the trucking for Key Foods."

### Takes Advice From Father

Judge Parente, who later told *The News* that he was somewhat startled by young Jacobson's



success tale, asked Mark if he received any help in business from his parents. "My father is counsel to me in respect to advising me and so forth and so on," he replied.

Parente said that he did not know who Sam Jacobson was at the time he questioned Mark. "I interrogated him because I had some question of where this money was coming from," said Parente. "I think at age 15 he already owned \$3 or \$4 million dollars' worth of businesses. But this was a sale and no other people wanted to buy.

"I wasn't quite satisfied with his answers, but this was a judicial sale of an asset and I had gone as far as I could," said Parente. There was also an assistant U.S. attorney present at the hearing who didn't know who Sam Jacobson was either. If the attorney had checked with the federal criminal division he would have found out.

In late 1972, Sam Jacobson and several others were brought to trial in Brooklyn Federal Court on charges of aiding Albert Goldstein - the same man who gave young Mark his start in the trucking business - to evade income tax payments.

Goldstein, allegedly a heavy gambler and deeply in debt to Sam Jacobson, was charged with putting Sam on the payroll of four trucking companies he owned.

Goldstein's trucking firms delivered foodstuffs to Key Foods among others. He denied any financial interest in the chain. The trucking company owner was allegedly claiming \$326,475 in salaries for persons not actually doing any work for the firms. Jacobson, over the four years covered in the indictment, allegedly received \$138,000 as a "traffic manager" and later as a "spotter".

The trial resulted in a hung jury. Those indicted were acquitted in a second trial.

EXHIBIT K - ARTICLE PUBLISHED IN NEW YORK TIMES BY  
SAMUEL JACOBSON DATED MAY 18, 1975

TO THE LOYAL EMPLOYEES,  
CUSTOMERS AND FRIENDS  
OF SILVERCUP:

May 11th, 1975, Mr. Ed Kirkman, wrote a feature story which was published on page 2 in the Sunday News under the following captions:

1. Tie Club Day to Thick Skins of Silvercup.
2. Tie Club Day Jacobson to a Skunk of Silvercup.

The article characterizes me as a "male figure who manages an underworld kingpin Silvercup's gambling cartel in the area."

With respect to this abominable false statement, I state that I have never met, known, spoken to, have done business with Silvercup, nor have I ever visited him in any hospital as Mr. Kirkman had previously falsely written.

The article by Mr. Kirkman is a malicious and spiteful attempt to ruin the reputation of Silvercup. He will not succeed and all those who have put him up to writing this vicious article.

I have never assisted my son, as any normal and responsible father would, in getting started in business. My son works 70 hours a day and since October, 1974, has devoted considerable amount of his time and energy to saving the jobs of at least 400 employees of Silvercup and probably jobs of many hundreds of other persons who rely on its services.

During this period of time he has not drawn a penny in salary nor have I, notwithstanding Mr. Kirkman's statement that I run Silvercup from behind the scenes of Silvercup as "Vice President."

My son Mark has written directly to the editor of the Daily News refuting the half truths and malicious statements and innuendo contained in Mr. Kirkman's malicious article. He has requested that his letter be published.

I challenged the News to do so.

I have purchased this space because I believe that the Daily News does not have the courage to publish my son's letter, thereby allowing its readers to see for themselves where the truth lies. The Daily News has refused to publish this advertised statement although I have offered to pay for the cost of the space. I feel a duty to Silvercup employees and their families and to the public which recognizes the high standard of its product and the truth is told.

May 18, 1975  
Samuel Jacobson

Samuel Jacobson  
15 E. 68th St.  
New York, N.Y.

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EXHIBIT L - COPY OF AMENDED VERIFIED COMPLAINT OF MARK JACOBSON  
AND RANGER BAKERS, INC. AGAINST NEW YORK NEWS, ET AL

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF QUEENS

-----x

MARK JACOBSON and RANGER BAKERS, INC., :

Plaintiffs, :

AMENDED VERIFIED  
COMPLAINT

-against- :

THE NEW YORK SUNDAY NEWS, NEW YORK :  
NEWS, INC., and EDWARD KIRKMAN, :

13716/75

Defendants. :

-----x

Plaintiffs, by their attorney, IRVING MANDELL,  
ESQ., for their Verified Amended Complaint against defendants,  
allege and show:

ALLEGATIONS RELATIVE TO ALL  
CAUSES OF ACTION

FIRST: At all times hereinafter mentioned, the  
plaintiff, Ranger Bakers, Inc., ("RANGER"), was and still is a  
corporation duly organized and existing under and by virtue of  
the Laws of the State of New York, and acquired the right to use  
the name Silvercup in or about October, 1974.

SECOND: At all times hereinafter mentioned, the  
plaintiff MARK JACOBSON, was and still is the president of  
RANGER.

THIRD: That the plaintiff prior to May 11, 1975

was a successful businessman, and reputable family man who enjoyed a good reputation and character among his business and social associates.

FOURTH: Upon information and belief, at all times hereinafter mentioned, the defendant NEW YORK NEWS, INC., was and still is the publisher of a newspaper known as the NEW YORK SUNDAY NEWS which is circulated and read widely in New York City and State and to a lesser extent outside the area.

FIFTH: Upon information and belief that on or about May 11, 1975 the defendant Edward Kirkman ("KIRKMAN") was and still is employed as a reporter by the defendant NEW YORK NEWS, INC.

SIXTH: That on or about May 11, 1975, the defendant NEW YORK NEWS, INC., published on page 2 of the NEW YORK SUNDAY NEWS edition of May 11, 1975 an article bearing the byline of defendant Edward Kirkman, a copy of which is annexed as Exhibit "A" to this complaint, and the Court is respectfully referred to said exhibit for the contents thereof.

SEVENTH: That the defendants wickedly contriving and intending to cause it to be believed that the plaintiffs were mob controlled and to injure the good name, credit and reputation of the plaintiffs did on or about May 11, 1975



falsely and maliciously cause to be published and circulated by the defendant NEW YORK NEWS, INC., in the NEW YORK SUNDAY NEWS concerning the plaintiff MARK JACOBSON individually and the plaintiff RANGER BAKERS, INC., the following false and defamatory matter, to wit:

"TIE MOB GUY TO THICK SLICE OF SILVERCUP"

"Mob figure Sam Jacobson who manages underworld kingpin Meyer Lansky's gambling cartel in this area, has set up his son Mark, 25 as president of Silvercup Bakery, while he actually runs the company from behind the scenes".

"The News probe discovered that Sam, while not mentioned in corporate papers, operates as a Silvercup 'vice-president'".

EIGHTH: That the defendants published a photograph of Sam Jacobson and Mark Jacobson in connection with said article under which the following legend appeared "Bread is their business", as is particularly set forth in Exhibit "A" annexed hereto.

NINTH: That the word "Bread" was prior to and at the time of the publication of the article associated in the mind of the public with the word "money".

TENTH: That the defendants by the use of the words "Bread is their business" under the photograph of Sam and

Mark Jacobson within the article referring to:

"Mob figure Sam Jacobson, who manages underworld kingpin Meyer Lansky's gambling cartel in this area, has set up his son Mark, 25, as president of the Silvercup Bakers, while he actually runs the company from behind the scenes."

meant and intended to charge and did charge that the plaintiff MARK JACOBSON was involved in gambling activities, connected with the underworld, and was a violator of the criminal law.

ELEVENTH: That by using the language "Bread is their business" in the context set forth in paragraphs, "NINTH and TENTH" hereof and in the article as aforesaid (Exhibit "A") the defendants used the language therein in reference to and concerning the plaintiff MARK JACOBSON, and the publication was understood by the readers of defendant's newspaper as so referring.

TWELFTH: That on or about May 16, 1975 the plaintiff MARK JACOBSON wrote to the Editor of the defendant NEW YORK NEWS, INC., categorically denying the false allegations as aforesaid and requested that his letter be published in said newspaper in response to defendants' article.

THIRTEENTH: That the defendant NEW YORK NEWS, INC. failed and refused to publish the plaintiff MARK JACOBSON'S letter.



FOURTEENTH: That plaintiff's father Sam Jacobson then offered to purchase and pay for space in the defendant's newspaper in which to make a factual rebuttal of defendants' false and malicious article, but that said defendant NEW YORK NEWS, INC. refused to sell him space or to publish a retraction of the aforesaid article, and no retraction by either of the defendants of the publication complained of has been made to date.

FIFTEENTH: That on or about May 18, 1975 said Sam Jacobson purchased space in the New York Times and New York Post in which he stated in a signed article:

"I have never met, known, spoken to, have done business with Meyer Lansky".

Sam Jacobson further denied that he ran Silvercup from behind the scenes as "Vice President". The Court is respectfully referred to the contents of said publication annexed hereto as (Exhibit "B").

AS AND FOR A FIRST CAUSE OF ACTION  
AGAINST ALL OF THE DEFENDANTS ON  
BEHALF OF PLAINTIFF MARK JACOBSON.

SIXTEENTH: Plaintiff repeats and realleges each and every allegation contained in paragraphs "FIRST" through "FIFTEENTH" inclusive as if fully set forth herein.

SEVENTEENTH: That prior to and at the time the

defendants wrote and published the aforesaid article (Exhibit "A"), the plaintiff MARK JACOBSON enjoyed an unblemished reputation in his business operations at Ranger and/or Silvercup and in other business operations in which he was then involved, and in the community at large as an honest person, with a reputation for integrity, and had worked hard to establish that reputation.

EIGHTEENTH: That by reason of said publication aforesaid, the plaintiff MARK JACOBSON has been injured in his good name, fame, credit and reputation both as a man and as a businessman, and in his feelings, mind and body and has been held up to ridicule and contempt by his friends, acquaintances and the public, and has suffered loss of his investment in Ranger/Silvercup, and loss of his ability to obtain credit from vendors in his business operations, all to his damage in the sum of Five Million (\$5,000,000.00) Dollars.

AS AND FOR A SECOND CAUSE OF ACTION  
AGAINST ALL OF THE DEFENDANTS ON  
BEHALF OF PLAINTIFF MARK JACOBSON

NINETEENTH: Plaintiff repeats and realleges each and every allegation contained in paragraphs "FIRST" through "SEVENTEENTH" inclusive as if fully set forth herein.

TWENTIETH: That the false, scandalous, defamatory and libelous article published by said defendants was never



retracted by said defendants and was actuated by malice and ill will, and was so reckless and careless in its preparation, as to constitute a wanton disregard for the truth, and was intended to and did injure the good name and reputation of the plaintiff MARK JACOBSON.

TWENTY-FIRST: That by reason of the foregoing the plaintiff, MARK JACOBSON was damaged in the sum of Twenty-Five Million (\$25,000,000.00) Dollars.

AS AND FOR A THIRD CAUSE OF ACTION  
AGAINST ALL THE DEFENDANTS ON  
BEHALF OF THE PLAINTIFF  
RANGER BAKERS, INC.

TWENTY-SECOND: Plaintiff RANGER BAKERS, INC., repeats and realleges each and every allegation contained in paragraphs "FIRST" through "FIFTEENTH" inclusive as if fully set forth herein.

TWENTY-THIRD: That prior to and at the time defendants published the aforesaid article, the plaintiff RANGER was attempting to turn a losing operation into a successful venture and had initiated programs to enhance its reputation with the public consumer of its products.

TWENTY-FOURTH: That following publication of the

aforesaid article by the defendants the plaintiff RANGER received hate mail and telephone calls from persons who referred to the article aforesaid and stated their intention not to purchase RANGER'S products.

TWENTY-FIFTH: That following publication of said articles as aforesaid the plaintiffs were advised by vendors and customers that they would not do business with the plaintiff RANGER.

TWENTY-SIXTH: That following publication of the articles as aforesaid RANGER found it almost impossible to establish credit with financial institutions.

TWENTY-SEVENTH: That following publication of the articles as aforesaid certain governmental agencies singled out the plaintiff RANGER for special but unequal treatment and harassed the plaintiff in its business operations.

TWENTY-EIGHTH: That by reason of the foregoing the plaintiff RANGER was compelled to and in fact terminated its operations on November 15, 1975.

TWENTY-NINTH: That by reason of the foregoing the plaintiff RANGER sustained business losses of Two Million (\$2,000,000.00) Dollars.

THIRTIETH: Plaintiff RANGER BAKERS, INC., repeats



and realleges each and every allegation contained in paragraph "FIRST" through "FIFTEENTH" and "TWENTY-THIRD" through "TWENTY-SEVENTH" inclusive as if fully set forth herein.

THIRTY-FIRST: That the false, scandalous, defamatory and libelous article published by said defendants was never retracted by said defendants and was actuated by malice and ill will and was so reckless and careless in its preparation as to constitute a wanton disregard of the truth and was intended to and did injure the good name and reputation of the plaintiff RANGER and its division "Silvercup", which were compelled to cease business operations.

THIRTY-SECOND: That by reason of the foregoing the plaintiff RANGER BAKERS, INC., was damaged in the sum of Ten Million (\$10,000,000.00) Dollars.

WHEREFORE: (a) Plaintiff MARK JACOBSON demands judgment against all the defendants on the FIRST CAUSE OF ACTION in the sum of Five Million (\$5,000,000.00) Dollars.

(b) Plaintiff MARK JACOBSON demands judgment against all the defendants in the SECOND CAUSE OF ACTION in the sum of Twenty-Five Million (\$25,000,000.00) Dollars.

(c) Plaintiff RANGER BAKERS, INC., demands judgment against all the defendants on the THIRD CAUSE

OF ACTION in the sum of Two Million (\$2,000,000.00) Dollars.

(d) Plaintiff RANGER BAKERS, INC.,  
demands judgment against all the defendants in the FOURTH CAUSE  
OF ACTION in the sum of Ten Million (\$10,000,000.00) Dollars.

IRVING MANDELL  
Attorney for Plaintiffs  
Office & P. O. Address  
110-11 Queens Boulevard  
Forest Hills, New York 11375



EXHIBIT M - COPY OF COMPLAINT OF MARK JACOBSON AND RANGER  
BAKERS AGAINST DEPARTMENT OF JUSTICE AND THE INTERNAL REVENUE  
SERVICE

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

MARK JACOBSON and RANGER BAKERS, INC.,

Plaintiffs-Petitioners,

COMPLAINT

-against-

THE ORGANIZED CRIME AND RACKETEERING  
SECTION OF THE UNITED STATES DEPART-  
MENT OF JUSTICE, THE INTERNAL REVENUE  
SERVICE OF THE UNITED STATES, MARTIN  
SENZER, Revenue Officer, DOMINICK  
PALLILA, Group Manager, RAYMOND KEENAN,  
Chief, Collection Division and CHARLES  
BRENNAN, District Director,

Defendants-Respondents.

No. 75C 1718

Plaintiffs-Petitioners ("Plaintiffs"), by their  
attorney, IRVING MANDELL, Esq., for their complaint against the  
defendants, allege and show:

ALLEGATIONS RELATIVE TO ALL CAUSES OF ACTION

FIRST: At all times hereinafter mentioned, the  
plaintiff, RANGER BAKERS, INC., ("Ranger"), is a domestic corpora-  
tion, duly organized and existing under and by virtue of the  
Laws of the State of New York.

SECOND: At all times hereinafter mentioned, the  
plaintiff MARK JACOBSON, was and still is the president of RANGER.

THIRD: Upon information and belief, at all times hereinafter mentioned the defendant-respondent ("defendant"), ORGANIZED CRIME AND RACKETEERING SECTION OF THE UNITED STATES DEPARTMENT OF JUSTICE, ("Strike Force"), was and still is a section of the Department of Justice whose function it is solely through lawful means to apprehend persons actually engaged in racketeering and who are members of organized crime.

FOURTH: Upon information and belief at all times hereinafter mentioned defendant, INTERNAL REVENUE SERVICE, ("I.R.S."), was and still is an agency of the Department of the Treasury of the United States Government, empowered as specifically provided by statute to collect taxes due to the Government, but not empowered by statute or regulation to act as an arm of the STRIKE FORCE or to intimidate, abuse or harass taxpayers under color of performing its lawful duties and functions.

FIFTH: Upon information and belief and at all times hereinafter mentioned defendant MARTIN SENZER, ("Senzer"), was and still is a Revenue Officer of the IRS, employed at 74-09 37th Avenue, Jackson Heights, N. Y., and he is duty bound at his peril to comply with the Statutes and Regulations of the Internal Revenue Code, and none other.

SIXTH: Upon information and belief and at all



times hereinafter mentioned defendant DOMINICK PALLILA, ("Pallila") was and still is a Revenue Officer of the IRS, and is Group Manager of the Jackson Heights office of the IRS and is directly responsible for the supervision of Revenue Officers in his group, and at his peril is duty bound to comply with the Statutes and Regulations of the Internal Revenue Code, and none other, and to see that his Revenue Officers so comply.

SEVENTH: Upon information and belief and at all times hereinafter mentioned defendant RAYMOND KEENAN, ("Keenan"), was and still is Chief of the Collection Division of the IRS and directly supervises the acts of Revenue Officers and Group Managers and more particularly the acts of SENZER and PALLILA and claims by virtue of his office to have the power to approve or veto their actions and, at his peril, said defendant KEENAN is duty bound to comply with the Statutes and Regulations of the Internal Revenue Code, and none other, and to see that those persons under his supervision and control so comply.

EIGHTH: Upon information and belief and at all times hereinafter mentioned, defendant CHARLES BRENNAN, ("Brennan") was and still is a District Director of the IRS with jurisdiction over the Queens and Brooklyn offices and directly supervises the acts of the Chief of the Collection Division, defendant KEENAN and defendants SENZER and PALLILA and by virtue of his office has the

power to approve or veto their actions, and at his peril, said defendant BRENNAN is duty bound to comply with the Statutes and Regulations of the Internal Revenue Code and none other, and to see that the persons under his supervision and control so comply.

NINTH: That the jurisdiction of the following causes of action is conferred upon this Court by Section 1343, Title 28 of the United States Code and by Virtue of Section 1331, Title 28 of the United States Code.

FOR A FIRST CAUSE OF ACTION ON BEHALF OF THE  
PLAINTIFF RANGER AGAINST THE  
DEFENDANT, "STRIKE FORCE".

TENTH: Plaintiff repeats and realleges each and every allegation contained in paragraphs, "FIRST" through "NINTH" inclusive as if fully set forth herein.

ELEVENTH: That since October 29, 1975 when the plaintiff RANGER acquired certain assets of Silvercup Bakers, the defendant STRIKE FORCE has engaged in a continuing series of acts designed solely to harass said plaintiff and to prevent it from carrying on its normal and regular business operations, typical of said acts being:

(a) The issuance of a Grand Jury Subpoena without good cause for RANGER'S books and records which are necessary to



RANGER'S daily operations.

(b) The issuance of a Grand Jury Subpoena on August 11, 1975 without good cause for the books and records of RANGER'S insurance broker not only with respect to RANGER but one of its major customers as well, solely for the purpose of intimidating the witness and tacitly threatening RANGER'S customer that it continues to do business with RANGER at its peril.

(c) Upon information and belief, sending its agents to Kansas City to interview RANGER'S vendor of flour thereby tacitly threatening RANGER'S vendor that it continues to do business with RANGER at its peril.

(d) Upon information and belief, making available to a reporter of the New York Daily News information, false in fact and based upon hearsay and surmise which said defendant should not have disclosed and which information said reporter used to write a series of articles falsely alleging that RANGER was "mob" controlled.

(e) Upon information and belief, directing its personnel or other law enforcement personnel acting in concert with it, to visit RANGER'S financial and banking resources and to spread false and malicious stories therein as a result of which said financial institutions refused to loan RANGER funds necessary to operate its business. RANGER was therefore unable to meet its

obligations, incurred tax liabilities and its very existence is threatened with extinction.

(f) Upon information and belief defendant has enlisted the aid of the defendant IRS and the individual defendants to badger and harass RANGER and has used said agency as a part of the STRIKE FORCE operations to destroy RANGER, motivated solely by a personal vendetta; said use of the IRS and its representatives being wholly improper and in violation of law.

ELEVENTH: Upon information and belief that the aforesaid acts by the STRIKE FORCE are only a part of the acts committed by it presently known to this plaintiff and said acts have been committed in bad faith and solely to destroy RANGER and the Plaintiff MARK JACOBSON, and that said acts constitute an unauthorized and unlawful abuse of the power of the STRIKE FORCE.

TWELFTH: Unless the defendant STRIKE FORCE and its employees, agents and representatives are permanently enjoined from further and continued unlawful and unauthorized acts and from abusing its power against plaintiff RANGER, said plaintiff will suffer irreparable damages.

THIRTEENTH: That the plaintiff RANGER has no adequate remedy at law.



AS AND FOR A SECOND CAUSE OF ACTION  
BY THE PLAINTIFF MARK JACOBSON  
AGAINST THE DEFENDANT STRIKE FORCE

FOURTEENTH: Plaintiff MARK JACOBSON repeats and realleges each and every allegation contained in paragraphs "FIRST" through "TWELFTH" inclusive as if fully set forth herein.

FIFTEENTH: That in addition to the series of actions set forth in paragraph "ELEVENTH" herein taken against the Plaintiff RANGER, which also directly effect the well being of the plaintiff MARK JACOBSON, the STRIKE FORCE has engaged in other acts designed solely to harass the plaintiff JACOBSON and to prevent him and his immediate family from living a normal existence. Typical of said acts are the following:

(a) In 1973 the STRIKE FORCE issued a Grand Jury Subpoena for the books and records of Automation Transportation Corp. and Classic Truck Rental Corp., in which plaintiff was a principal stockholder and officer. These records have not been returned although more than two and one-half (2½) years have passed. No criminal action whatsoever has been taken against the plaintiff or the said corporations as a result of this investigation; indeed the plaintiff has never been arrested or convicted of any crime.

(b) Upon information and belief the STRIKE FORCE gave false, malicious and libelous information to a reporter of the Daily News who published articles linking RANGER BAKERS of which I am President, to the "Mob" and falsely stating that I am a front for the "Mob" in the operations of my company. None of

this is true, and my reputation has been damaged.

(c) Upon information and belief said defendant has disseminated rumors through its agents, employees or representatives that I have affiliations with the "Mob" which is not true, and that I was indicted in a tax fraud case which is not true.

(d) Upon information and belief, I believe that I and RANGER and perhaps other companies in which I have an interest are under continuing, illegal telephone, electronic and mail surveillance without good cause, and solely for the purpose of prying into my private life.

SIXTEENTH: Unless the defendant STRIKE FORCE and its employees, agents and representatives are permanently enjoined from further and continuing unlawful and unauthorized acts and from abusing its power against me personally I will suffer irreparable damages.

SEVENTEENTH: That the plaintiff MARK JACOBSON has no adequate remedy at law.

AS AND FOR A THIRD CAUSE OF ACTION ON  
BEHALF OF THE PLAINTIFFS AND AGAINST  
THE DEFENDANTS IRS, SENZER, PALLILA,  
KEENAN AND BRENNAN

EIGHTEENTH: Plaintiffs repeat and reallege each



and every allegation contained in paragraphs "FIRST" through "SIXTEENTH" inclusive as if fully set forth herein.

NINETEENTH: That the said named defendants have engaged in a continuing series of acts designed solely to harass the plaintiffs, have singled them out for unusual and special treatment with respect to certain tax liabilities and have refused to apply the tax codes and regulations in the best interest of the public as well as these taxpayers. The following are some of the acts to which plaintiffs refer:

(a) In 1972 the IRS levied on the bank account of a company in which I was a principal stockholder and officer on an alleged claim of \$360.00. There was over \$40,000.00 in the bank account at the time. About two weeks later the IRS levied on one of our major customers for \$700.00 allegedly due it, causing me great embarrassment. I paid both of these claims and at the end of the year my company received a check from the IRS for \$1,060.00, proving that the levies were made in bad faith.

(b) More recently, because of the incessant pressures put upon our vendors and financing sources by the STRIKE FORCE and because of a sizeable backlog in our receivables, particularly monies owed us by New York City, RANGER fell in arrears on its withholding tax deposits and payments. On September 30, 1975, we received a statement of the tax due demanding

payment by October 9, 1975 and thereafter the following occurred:

(i) Negotiations for payment were undertaken by us on September 30, 1975 with the defendants SENZER and PALLILA. The parties agreed to continue negotiations the following day, October 1, 1975. At the very hour that negotiations were scheduled to commence the defendants SENZER and PALLILA with the consent and approval of defendants KEENAN and BRENNAN, nine days prior to the date when payment was due, filed a lien and levy on RANGER'S bank accounts and served levies upon several of RANGER'S customers including the City of New York.

(ii) Plaintiff met on that same afternoon with defendant KEENAN, Chief of the Collection Division, who is also defendants SENZER and PALLILA'S superior. Defendant KEENAN categorically refused to allow RANGER to liquidate its obligation in installments and insisted on full payment. All requests to extend to RANGER the same amenities given to similarly situated taxpayers were denied.

(iii) RANGER requested a meeting with defendant CHARLES BRENNAN, the District Director, and was subsequently advised by defendant KEENAN that the request was refused and that defendant BRENNAN approved the actions taken by his subordinates.

(iv) On October 2, 1975 RANGER tendered the amount of the assessment in full and demanded that the lien be



discharged and the levy on its payroll account be lifted so that its 500 employees would not go payless. RANGER was advised that the levy would not be released unless it paid additional penalties of approximately \$16,000.00, which it paid in order to release its payroll account.

(v) In order to make the payment, RANGER obtained a loan from Automated Bread Dist. Corp., a company in which MARK JACOBSON is a stockholder and officer. Five days later, Automated Bread received notice from the IRS that its tax return for the year 1974 had been assigned for examination to an agent in the Brooklyn office of the IRS at 35 Tillary Street, where defendants KLEENAN, BRENNAN and the STRIKE FORCE all maintain offices.

(vi) On October 7, 1975, RANGER received a visit from defendant SENZER accompanied by two other Revenue Agents who demanded payment of the 3rd Quarter Withholding Taxes in full prior to October 31, 1975, the last day when said return is due and prior to any assessment having been made against RANGER for taxes.

TWENTIETH: That the aforesaid acts of the said defendants are only a part of the acts committed by them presently known to the plaintiffs and said acts have been committed in bad faith and solely to destroy RANGER and MARK JACOBSON and are

not calculated to assure a method of collecting tax for the benefit of all taxpayers, but said acts are rather designed to destroy RANGER'S business and plaintiff MARK JACOBSON personally.

TWENTY-FIRST: Unless said defendant, IRS and its employees, agents and representatives are permanently enjoined from further and continuing harassment, and are directed to apply even-handed treatment and consideration to said plaintiffs, said plaintiffs will suffer irreparable damages.

TWENTY-SECOND: That the said plaintiffs have no adequate remedy at law.

AS AND FOR A FOURTH CAUSE OF ACTION  
ON BEHALF OF THE PLAINTIFFS  
AGAINST ALL OF SAID DEFENDANTS

TWENTY-THIRD: Plaintiffs repeat and reallege each and every allegation contained in paragraphs "FIRST" through "TWENTY-FIRST" inclusive as if fully set forth herein.

TWENTY-FOURTH: That by virtue of the premises as aforesaid the plaintiffs constitutional rights under the Constitution and more particularly under the Fifth Amendment thereof have been denied them.

TWENTY-FIFTH: That unless the defendants are



enjoined from violating the plaintiffs' constitutional rights, said plaintiffs will suffer irreparable damages.

TWENTY-SIXTH: That the said plaintiffs have no adequate remedy at law.

AS AND FOR A FIFTH CAUSE OF ACTION  
ON BEHALF OF PLAINTIFF MARK JACOBSON  
AGAINST ALL OF SAID DEFENDANTS

TWENTY-SEVENTH: Plaintiffs repeat and reallege each and every allegation contained in paragraphs "FIRST" through "ELEVENTH", "FIFTEENTH", "NINETEENTH", "TWENTIETH", inclusive as if fully set forth herein.

TWENTY-EIGHTH: That by reason of the premises as aforesaid, plaintiff MARK JACOBSON'S civil rights under Title 42 U.S.C. Section 1981, and more particularly his rights to full and equal benefit of all laws and proceedings for the security of his person and property have been violated, by reason of which he has sustained damages in the sum of \$1,500,000.00.

AS AND FOR A SIXTH CAUSE OF ACTION  
ON BEHALF OF THE PLAINTIFF MARK JACOBSON  
AGAINST ALL OF SAID DEFENDANTS

TWENTY-NINTH: Plaintiff repeats and realleges

each and every allegation contained in paragraphs "FIRST" through "ELEVENTH", "FIFTEENTH", "NINETEENTH", "TWENTIETH" inclusive as if fully set forth herein.

THIRTIETH: That by reason of the premises as aforesaid, the defendants have conspired together to deprive plaintiff MARK JACOBSON of his civil rights under Title 42 U.S.C. Section 1985, by reason of which he has sustained damages in the sum of \$1,500,000.00.

AS AND FOR A SEVENTH CAUSE OF ACTION  
ON BEHALF OF THE PLAINTIFFS AGAINST  
ALL OF SAID DEFENDANTS

THIRTY-FIRST: Plaintiffs repeat each and every allegation contained in paragraphs "FIRST" through "ELEVENTH", "FIFTEENTH", "NINETEENTH", "TWENTIETH" inclusive as if fully set forth herein.

THIRTY-SECOND: That in or about the times heretofore mentioned, and more particularly since October 29, 1974 when plaintiff RANGER acquired Silvercup, the defendants wantonly and in wilful and malicious disregard and violation of plaintiffs' rights, and with the deliberate intention of invading and destroying plaintiffs' rights, reputation, property and business, conspired and agreed among themselves to accomplish such purpose,



and to interfere with the plaintiff RANGER'S business operations.

THIRTY-THIRD: Pursuant to said conspiracy and scheme, defendants carried out and accomplished the purposes and aims thereof and pursuant to said conspiracy, have violated plaintiffs' rights, have invaded and destroyed plaintiffs' rights, reputation, property and business and the just fruits of their labor, investments and other expenditures expended in connection with said business.

THIRTY-FOURTH: Plaintiffs have acted in good faith throughout in carrying out their business operations and obligations, and solely by reason of the acts of the defendants as aforesaid, plaintiffs' business was destroyed all to their damage in the sum of \$1,500,000.00.

THIRTY-FIFTH: The aforesaid acts, torts and conspiracy of all said defendants were done with the wilful intention to destroy and impair plaintiffs' property rights in their business and plaintiffs are therefore entitled to punitive damages in the sum of \$3,000,000.00 as a consequence thereof.

WHEREFORE, the plaintiffs demand judgment against all of said defendants on the "FIRST" through the "FOURTH" Cause of Action for an order temporarily and permanently enjoining them from:

1. (a) harassing the plaintiffs, by disseminating to third persons false information, either orally or in writing that plaintiffs are "mob" controlled, "mob" affiliated or that any of its officers are members of any "mob".

(b) from contacting, either orally or in writing, RANGER'S customers, vendors or lending institutions or banks and advising them that RANGER is under investigation unless and until such time as an indictment has been returned against RANGER or any of its officers.

(c) from subpoenaing the records of corporations or companies in which plaintiff JACOBSON had or now owns stock or is an officer without first obtaining the approval of this Court to issue a subpoena, upon a written showing of facts, nor surmise or suspicion to warrant the issuance of such a subpoena.

(d) from wiretapping, or otherwise engaging in electronic surveillance or mail surveillance against plaintiffs without first obtaining the approval of this Court, upon a written showing of facts, not surmise or suspicion to warrant such actions.

(e) from denying to the plaintiffs even-handed treatment in the enforcement of tax laws and regulations and from refusing to accept without good cause RANGER'S proposal for payment of its taxes in installments as permitted by regulations of the Internal Revenue Code, and directing that defendants afford plaintiffs the same consideration they provide other taxpayers.



(f) from conspiring with other law enforcement agencies including the IRS and the individually named defendants, as well as others to harass plaintiffs and particularly plaintiff JACOBSON, and to deprive him of his constitutional and civil rights as well as plaintiffs right to even-handed treatment under all laws and regulations, privileges and immunities enacted to secure to them their person and property.

(g) from otherwise engaging in unlawful or harassing activities against plaintiffs, including the use of the IRS as a cats paw of the STRIKE FORCE against said plaintiffs.

2. On behalf of plaintiff JACOBSON against all said defendants on the "FIFTH" and "SIXTH" Causes of Action for a judgment in the sum of \$1,500,000.00 on each said Cause of Action.

3. On behalf of the plaintiffs JACOBSON and RANGER against all the named defendants, on the "SEVENTH" Cause of Action plaintiffs demand compensating damages in the sum of \$1,500,000.00 and punitive damages in the sum of \$3,000,000.00.

All together with the costs and disbursements of this action.

IRVING MANDELL  
Attorney for Plaintiff  
Office & P.O. Address  
42-25 21st Street  
Long Island City, N. Y.  
11101

AFFIDAVIT OF RICHARD L. SHANLEY, DATED JULY 13, 1976 IN  
OPPOSITION TO MOTION TO QUASH SUBPOENA AND DISCHARGE GRAND  
JURY

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----X

IN RE GRAND JURY SUBPOENA DUCES TECUM  
SERVED UPON AUTOMATED BREAD  
DISTRIBUTORS, CORP.

AFFIDAVIT IN OPPOSITION  
TO MOTIONS TO QUASH  
SUBPOENA AND DISCHARGE  
GRAND JURY

76 C 1078

-----X

RICHARD L. SHANLEY, being duly sworn, deposes and says:

1. That he is a Special Attorney, Organized Crime and Racketeering Section, Criminal Division, United States Department of Justice and that he is the attorney in charge of the investigation in which Automated Bread Distributors, Corp. is a subpoenaed witness.
2. That the aforesaid investigation was initiated in May, 1975.
3. That upon information and belief, the investigation encompasses false statements, concealment of facts and depletion of assets in relation to the bankruptcy of Silvercup Bakers, Inc.; interference with commerce by extortion; acquiring and maintaining control and interest in, and conducting and participating in the conduct of enterprises in interstate commerce, by and through the collection of unlawful debts and patterns of racketeering activity; and conspiracies to commit the above acts.
4. That the investigation is a complex one and of necessity is lengthy.



5. That the investigation is being conducted as expeditiously as possible.

6. That a Grand Jury subpoena duces tecum was served upon Automated Bread Distributors, Corp on May 27, 1976, calling for certain records of that corporation.

7. That upon information and belief, the documents called for are relevant to the aforesaid investigation.

8. That the subpoena was issued in good faith.

9. That the Grand Jury before which the subpoena calls for the records to be produced is legally convened and has not expired.

10. That up until July 7, 1976, your deponent did not know Revenue Officer Shelly Bienstock/of the Internal Revenue Service Audit Division and never in the past used him to obtain information about Automated Bread.

11. That up until July 7, 1976, your deponent never had any contact whatsoever with any representatives of Internal Revenue Service Audit Division with regard to any examination of Automated Bread.

12. That your deponent had no knowledge whatsoever of any examination being conducted by Internal Revenue Service Audit Division on Automated Bread until apprised of the fact by the moving papers submitted by Mr. Mandel.

13. That on July 7, 1976, Revenue Officer Shelly Bienstock introduced himself to your deponent in the Strike Force offices.

14. That Revenue Officer Bienstock informed your deponent that

he had been informed by Mr. Mandel, attorney for Automated Bread, that corporate records would not be made available for an Internal Revenue Service audit examination because a motion had been made to quash a grand jury subpoena issued by your deponent.

15. That Revenue Officer Bienstock further informed your deponent that Mr. Mandel had told him that your deponent was causing and controlling the audit examination by the Internal Revenue Service.

16. That such allegation as reported to your deponent is absolutely false.

17. That your deponent informed Agent Bienstock that the Strike Force could not and would not attempt to influence or control an Internal Revenue Service audit examination in any way whatsoever.

18. That your deponent has never sent Federal Bureau of Investigation agents to intimidate vendors and customers of Automated Bread and would not countenance such actions by any agents.

19. That your deponent has never divulged any confidential or secret information about the Jacobson family to representatives of the Daily News.

News, nor would your deponent tolerate such conduct on the part of anyone on the Strike Force.

21. That the allegations contained in paragraphs 28, 29, 31, 32, 37, and 38, are false.

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22. That comments as to what did happen and speculation as to what may happen in the Ranger civil suit against the Government are irrelevant.

23. That your deponent is conducting the aforesaid investigation in good faith.

WHEREFORE: Your deponent respectfully submits that the motions to quash the subpoena duces tecum and to discharge the Grand Jury be denied.

*Richard L. Shanley*  
 RICHARD L. SHANLEY  
 SPECIAL ATTORNEY  
 U.S. DEPARTMENT OF JUSTICE

Sworn to before me  
 this 13<sup>th</sup> day of July, 1976

*Leonard Alan Sands*  
 LEONARD ALAN SANDS  
 NOTARY PUBLIC, STATE OF N.Y.

COMM. EXPIRES MARCH 30, 1978

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REPLY AFFIRMATION OF IRVING MANDELL DATED  
JULY 20, 1976

67a

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
IN RE GRAND JURY SUBPOENA DUCES TECUM :  
served upon :  
AUTOMATED BREAD DISTRIBUTORS, CORP., : REPLY AFFIRMATION  
: 76 c 1078  
Respondent :  
-----X

IRVING MANDELL, an attorney duly licensed to practice his profession before this Court, affirms under penalties of perjury:

1. I am the attorney for Automated Bread Distributors, Corp. ("Automated") and submit this affirmation in reply to an Affidavit in Opposition submitted by Richard L. Shanley, Esq. on behalf of the Government.

2. Although Mr. Shanley fails to state so in his affidavit, it appears from the Government's Memorandum of Law (p. 6) that the Grand Jury before which Automated has been subpoenaed is a Strike Force grand jury empanelled pursuant to Title 18, U.S.C. Section 3331, rather than the usual Grand Jury empanelled under Rule 6 of the Federal Rules of Criminal Procedure (FRCP).

3. It is noteworthy that other than the unsworn statement contained in the Government's Memorandum of Law as to the nature of the Grand Jury, the Government has not submitted a copy of the empanelling order, nor any subsequent order extending or otherwise modifying the said Grand Jury. As a result of this oversight, Automated is unable to verify Mr. Shanley's statement



that "the aforesaid investigation was initiated in May 1975" and not possibly before that date.

4. Furthermore, Mr. Shanley does not state anywhere in his affidavit, although asked to do so by movant, whether Automated is a witness in the Silvercup investigation or the target of this Grand Jury investigation. Automated is entitled to know!

5. Mr. Shanley's affidavit in which as deponent he makes personal denials of movant's allegations indicates that he has missed the thrust of movant's arguments. Automated has no vendetta with Mr. Shanley; it claims, however, that the Strike Force and the Internal Revenue Service agencies have a vendetta against the Jacobsons. Thus Mr. Shanley's denials of personal knowledge and involvement in the charges made by Automated is neither dispositive of Automated's motion, nor indeed germane to the issues raised by it.

6. Thus it is not enough for Mr. Shanley to state:

"that up until July 7, 1976 your deponent never had any contact whatsoever with any representatives of Internal Revenue Service Audit Division with regard to any examination of Automated Bread."

(Emphasis added)

7. This contact could have been through another special attorney in or out of Mr. Shanley's office to whom the assignment had been given.

8. Indeed this is borne out by the fact that the IRS notice of Audit of Automated (Exhibit "B") was addressed to Automated on October 7, 1975 at 5701 Foster Avenue, Brooklyn, New York but Mr. Bienstock conducted his audit with the full cooperation of Automated at premises 47-50 Van Dam Street, Long Island City, where Automated's books were maintained.

9. This audit antedated the subpoena on Automated dated May 27, 1976 which showed Automated's address to be 47-50 Van Dam Street, Long Island City. The FBI man who came to those premises upon gaining entry immediately asked for Automated's bookkeeper by name. From whom did the Government learn that Automated's books were located at Long Island City, not Brooklyn? From whom did the FBI agent learn the name of Automated's bookkeeper? These facts cast doubt on the impression sought to be created by Mr. Shanley in his affidavit that the Strike Force never had any contact with the IRS on this matter. Unless of course, Mr. Shanley is willing to concede that he is talking only for himself and not for the entire Strike Force.

10. On June 24, 1976, deponent received a letter from Mr. Bienstock's Group Manager, a Mr. Melvin Franklin in which Mr. Franklin in fact disclosed that the audit of Automated by the IRS was "not a routine audit" and that Automated's return "is being examined as an independent audit with the Brooklyn District Internal Revenue Service Strike Force Program" (Emphasis added) (Exhibit "N").



Under these circumstances, Mr. Shanley's affidavit cannot be accepted on its face.

11. It is submitted that only an evidentiary hearing at which witnesses may be examined under oath will reveal the true facts. At that same hearing the relationship between FBI men charged by Automated with improper pressures, can be examined into as well.

12. Finally, it is noteworthy that subsequent to Automated's having moved in the instant matter further acts of harassment against the Jacobsons have occurred. Following Automated's motion on June 9, 1976, these further obvious acts of harassment have occurred.

(a) On July 12, 1976 the Internal Revenue Service served notice of its intention to audit Automation Transportation Corp., still another corporation in which Mark Jacobson has an interest (Exhibit "O").

(b) An inactive corporation named Foster Supermarket Service Corp., in which Mark Jacobson had an interest has suddenly come to the interest of the Internal Revenue Service (Exhibit "P").

(c) A levy was attempted to be served by the IRS on Sam Jacobson, the true target of the activity before the Grand Jury, within the past week. Sam Jacobson states that he owes the Government no taxes and that he is entitled to a substantial refund at this time.

12. It is not the intention of Automated to interfere with the lawful processes of Government or to impede any lawful investigation.

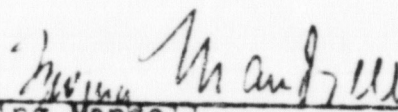
13. However, it is not the intention of Mark Jacobson to sit back and permit the Government to harass him and any companies in which he has, or had, or may ever in the future have an interest for the rest of his life, because of a vendetta with his father.

14. Mark Jacobson honestly believes that this is precisely the purpose of these Grand Jury Subpoenas and IRS investigations and that the Grand Jury is no longer conducting a bona fide investigation into the bankruptcy of Silvercup Bakers, Inc. which occurred in 1974. It is ludicrous to believe that a nationally renowned company such as Waldbaum's would be a party to the extortions and racketeering allegedly being investigated. Indeed, Waldbaum is a customer of Automated and the obvious purpose of naming it in the subpoena is to destroy that relationship in order to hurt Mark Jacobson financially.

15. It is submitted that this Court should put an end to the obvious charade of the Strike Force and grant Automated's motion in its entirety.

16. The Court is respectfully referred to a short Reply Memorandum of Law by movant as part of this reply affidavit.

Queens, New York  
July 20<sup>th</sup>, 1976

  
Irving Mandell



EXHIBITS ANNEXED TO FOREGOING REPLY AFFIRMATION



Office of the Chief Counsel

**Internal Revenue Service**

Date

In reply refer to 330-7400

June 24, 1976

AU:F:1109:S.B.

Mr. Irving Mandell  
110-11 Queens Blvd.  
Forest Hills, New York 11375

Dear Mr. Mandell:

This is in response to your letters dated April 5, 1976 and June 18, 1976 in which you requested information pertaining to the audit of Automated Bread Distributors Corp. for the period ending Sept. 30, 1975.

1. Revenue Agent S. Bienenstock who has been assigned to this case is not a Special Agent.
2. This is not a routine audit. The return is being examined as an independent audit within the Brooklyn District Internal Revenue Service Strike Force Program.
3. Neither the agent, my immediate supervisor, or myself have acted or are currently acting on behalf of or in conjunction with or under the instruction of any Law Enforcement Agency in regard to the examination.
4. This examination will follow the procedures outlined in the Techniques Handbook for In-Depth Audit Investigations.
5. The undersigned has been Revenue Agent Bienenstock's Group Manager at the time the case was assigned to him for examination and has continuously functioned in that capacity to date.
6. Mr. Bienenstock's activity record indicates that he attempted to contact you on April 29, 1976. Following usual procedure he would have called your office at Tel. No. 212-222-2222. However, to the point he has reached you at Tel. No. 212-222-2222 and it is possible that he may have called that number also. At that time he was specifically told by a woman that answered the telephone that you had just left for vacation and would not return until late May or June. Mr. Bienenstock did leave his name and requested



73a

-2-

Irving Mandell

that you return his call. The Revenue Agent had no reason to question the authority of the person that related the information to him and he did not secure her name.

7. No documents or information pertaining to this examination have been communicated to any law enforcement agency.

Sincerely yours,

*Melvin Franklin*

MELVIN FRANKLIN  
Manager, Group 1109

74a

EXHIBIT O - IRS NOTICE OF AUDIT TO AUTOMATION TRANSPORTATION  
CORP.



District Director  
Internal Revenue Service

Date:

In reply refer to:

11311-319-40306-5 13-2677760 7412  
AUTOMATION TRANSPORTATION CORP  
89-25 AVENUE D  
BROOKLYN NY 11236

Tax Return or Document:

1120

Year:

Agent:

Telephone Number:

1964

Miss D. Perkins

Perthod

320-7349

Dear Taxpayer:

Your above described tax return or document for the year indicated has been assigned to the above named agent for examination.

Please communicate with the agent, using the address or telephone number shown above, to arrange a date that will be mutually satisfactory.

Your reply within 10 days will be appreciated.

Sincerely yours,

Charles B. Brown

District Director



EXHIBIT P - IRS LETTER INQUIRY REGARDING FOSTER SUPERMARKET  
SERVICE CORP.

75a

Identifying Number  
11-2316364

07-02-75

02

FOST  
•00 CR  
7525 7625 619  
02 7512  
010000000

12 1101 11-01-

FOSTER SUPERMARKET SERVICE CORP  
89 25 AVE D  
BROOKLYN, NY 11236

49

If address is not correct, please change

Dear Taxpayer:

We have been searching for your Form  
US CORPORATION INCOME TAX RETURN,  
ended 12-31-75, but are unable to locate it.

1120

for the period

If you have not filed the form and are liable for doing so, please follow the instructions on the back of this letter. However, if you filed the form or have sent us information about it within the past week, you may disregard this letter. If you did neither within the past week, please fill in the applicable information below and return this completed letter to us.

The enclosed envelope is for your convenience. Thank you for your cooperation.

Sincerely yours,

Director, Service Center

Enclosure:  
Envelope  
Notice 394

I filed the form for the period shown above.

Date Filed										
Name on Form										
Employer Identification or Social Security Number										

OFFICE ADDRESS:

To the best of my knowledge and belief, the information shown above is true and correct.

I am not liable for filing this form for this period.

(Exempt organizations explain on back of this letter.)

I am no longer liable for filing this form.

a. Business closed (Date) \_\_\_\_\_

b. No employees after (Date) \_\_\_\_\_

c. Other reason (Explain on back of this letter) \_\_\_\_\_

Signature  
and Title

Date

Telephone  
Number

INTERNAL REVENUE SERVICE  
TDI SECTION  
1040 LAVERLY AVENUE  
HOLTSVILLE, NY 11799

11-2316364 FOST 02 7512

FE-4802 (Rev. 4-75)

ORDER OF HON. EDWARD R. NEAHER DATED JULY 22, 1976 DENYING  
MOTION TO QUASH AND TO DISCHARGE GRAND JURY  
UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

76a

-----  
IN RE GRAND JURY SUBPOENA DUCES TECUM

SERVED UPON AUTOMATED BREAD DISTRIBUTORS, CORP.

**F I L L E D**  
IN CLERK'S OFFICE  
U. S. DISTRICT COURT E.D. N.Y.  
JUL 22 1976  
O P P E R  
76 C 1078  
-----  
11:00 A.M.  
P.M.

The respondent Automated Bread Distributors, Corp., having moved to quash a grand jury subpoena, dated May 27, 1976, served upon that corporation, and the Court having heard the parties on this date;

IT IS ORDERED, ADJUDGED, AND DECREED THAT:

The motion of Automated Bread Distributors, Corp. to quash the Grand Jury subpoena duces tecum, dated May 27, 1976, is <sup>denied</sup> quashed, and the motion to discharge the Grand Jury is denied.

Said corporation is directed to produce all records called for in the subpoena before the grand jury on the 28th day of July, 1976, at 10:00 A.M., as defined at the hearing of the motion.

SO ORDERED.

*Edward R. Neaher*  
UNITED STATES DISTRICT JUDGE  
EASTERN DISTRICT OF NEW YORK

Dated: Brooklyn, New York  
July 22, 1976



NOTICE OF APPEAL WITH ENDORSEMENT OF DEPOSIT OF \$250.00  
WITH THE CLERK OF THE COURT IN LIEU OF BOND  
(Filed July 29, 1976)

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

JUL 27 1976

NOTICE OF APPEAL

IN RE GRAND JURY SUBPOENA DUCES TECUM

SERVED UPON AUTOMATED BREAD DISTRIBUTORS, CORP.

76 C 1078

Notice is hereby given that Automated Bread Distributors, Corp. ("Automated"), respondent above named hereby appeals to the United States Court of Appeals for the Second Circuit from the order of Hon. Edward R. Neaher entered in this action on the 22nd day of July, 1976, denying Automated's motion to quash a subpoena duces tecum dated May 27, 1976 and directing said respondent to produce certain records before the grand jury, and from the denial of respondent's motion to discharge the Grand Jury before which it has been directed to appear.

84109

Filed July 29, 1976

U.S. Dist. Court Clerk's Office

750 Deposit in the Registry  
of the Court in lieu of Bond

*Irving Mandell*  
IRVING MANDELL  
Attorney for Respondent  
110-11 Queens Blvd.  
Forest Hills, N.Y. 11375

U.S. DISTRICT COURT  
EASTERN DISTRICT  
OF NEW YORK  
CLERK

JUL 27 3 50 PM '76

ORDER TO SHOW CAUSE FOR A STAY PENDING APPEAL  
(Dated July 27, 1976)

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----  
IN RE GRAND JURY SUBPOENA DUCES TECUM

ORDER TO SHOW  
CAUSE

SERVED UPON AUTOMATED BREAD DISTRIBUTORS, CORP. 76 C 1076

-----

On reading and filing the Order of Hon. Edward R. Neaher dated July 22, 1976, the Notice of Appeal from said order dated July 27, 1976, the affirmation of Irving Mandell Esq., dated July 27, 1976, together with exhibits annexed thereto, let David G. Trager the United States Attorney for the Eastern District of New York and/or Richard L. Shanley, The Special Attorney, Organized Crime and Racketeering Section, Criminal Division, United States Department of Justice, show cause before this Court, at a Motion Part thereof, to be held at the United States Courthouse, located at 225 Cadman Plaza East, Borough of Brooklyn, City and State of New York, on the                      day of                      , 1976 at 10:00 o'clock in the forenoon of that day, or as soon thereafter as counsel can be heard for an order staying the enforcement of the order of Hon. Edward R. Neaher, dated July 22, 1976 pending appeal therefrom and for such other and further relief as to this court may seem just and proper.

Pending this motion for a stay, let respondent Automated Bread Distributors Corp. appearance before the Grand Jury be stayed.

**BEST COPY AVAILABLE**



79a

Let service of a copy of this order and the papers upon which it is granted, upon David G. Trager and/or Richard L. Shanley at 35 Millary Street, Brooklyn, N.Y. be deemed sufficient, on or before the                      day of 1976.

---

U.S.D.J.

BEST COPY AVAILABLE

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

----- AFFIRMATION -----

IN RE GRAND JURY SUBPOENA DUCES TECUM

SERVED UPON AUTOMATED BREAD DISTRIBUTORS, CORP. 76 C 1078

-----  
Irving Mandell, affirms under penalties of  
perjury.

1. That he is the attorney for Automated Bread Distributors Corp. ("Automated")
2. That Automated was served with a subpoena to appear before the Grand Jury and on July 22, 1976 Hon. Edward R. Neaher denied Automated's motion to quash the subpoena and to discharge the Grand Jury and further directed Automated to appear before the Grand Jury on July 28, 1976.
3. That simultaneously with the submission of this order to show cause seeking a stay, Automated has filed a Notice of Appeal from the order of Hon. Edward R. Neaher.
4. That the order is appealable in so far as it denied Automated's motion to quash. See, In Re Horowitz, 482 F. 2d 72 (2d Cir. 1973)
5. That the order is appealable in so far as it rejected Automated's argument that Section 3331, Title 18, U.S.C. (Organized Crime Control Act) is unconstitutional. See, Korman v United States, 486 F.2d 926 7th Cir. (1973).
6. That there is merit to Automated's appeal as set forth in its papers submitted to quash the subpoena and



discharge the Grand Jury.


7. That the Government's position that it cannot be compelled to disclose the empanelling order of this or any other Grand Jury is patently incorrect. See, U.S. v Fein, 504 F.2d 1170 (2d Cir. 1974; Wax v Motley, 510 F. 2d 318 (1975)

8. That although directed to do so by the Court, the Government has not yet disclosed the empanelling order of this Grand Jury or the prior Grand Jury which it admits was previously in existence, thereby preventing respondent from assuring itself and the Court that said Grand Juries were properly convened.

9. That the Government will not be prejudiced by the granting of a stay pending appeal since it has already examined the records of Silvercup and Ranger covering the same information now sought by it. Upon information and belief it has also examined the records of Waldbaum on this same matter.

Wherefore Automated respectfully requests that this Court grant a stay pending the appeal from Judge Neaher's order.

Queens: New York  
July 27, 1976

  
IRVING MANDELL

ORDER OF HON. EDWARD R. NEAHER DATED JULY 29, 1976  
GRANTING STAY

FILED  
CLERK'S OFFICE  
UNITED STATES DISTRICT COURT S.D. DISTRICT COURT ED. NY  
EASTERN DISTRICT OF NEW YORK ★

JUL 29 1976

FILED  
N.Y. FILMED

TIME A.M. ....  
IN RE GRAND JURY SUBPOENA DUCES TOUEM .....  
SERVED UPON AUTOMATED BREAD DISTRIBUTORS CORP.

ORDER

76 0 1078

July 29, 1976

NEAHER, J.

Automated Bread Distributors Corp. having moved for a Stay pending its appeal from an order of Hon. Edward R. Neaher dated July 22, 1976 and the office of Richard L. Shanley, The Special Attorney, Organized Crime and Racket-teering Section, Criminal Division, United States Department of Justice having been notified of said application and been given an opportunity to oppose said application and having failed to do so,

It is Ordered that the appearance of Automated Bread Distributors Corp. before the Grand Jury be and hereby is stayed pending the determination of its appeal from the order of this Court dated July 22, 1976 on condition that Automated complies with the Federal Rules of Appellate Procedure and the Rules of the United States Court of Appeals: Second Circuit, in such cases provided.

*Edward R. Neaher*  
U.S.D.J.



SUBSTITUTED ORDER OF HON. EDWARD R. NEAHER DATED  
JULY 30, 1976 GRANTING STAY

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
IN RE GRAND JURY SUBPOENA DUCES TECUM  
SERVED UPON AUTOMATED BREAD DISTRIBUTORS CORP.  
-----X

O R D E R

76 C 1078

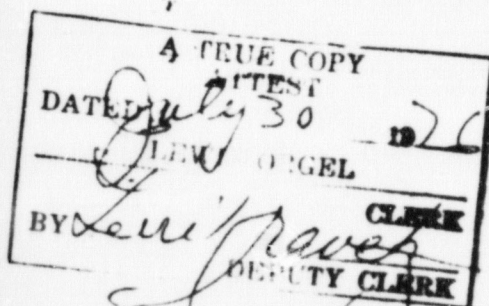
July 30, 1976

NEAHER, J.

This Court's Order in the above-captioned matter, dated July 29, 1976, is withdrawn, and this Order is substituted therefore.

Automated Bread Distributors Corp. having moved for a Stay pending its appeal from an order of Hon. Edward R. Neaher dated July 22, 1976 and the office of Richard L. Shanley, The Special Attorney, Organized Crime and Racketeering Section, Criminal Division, United States Department of Justice having been orally notified of said application and having withdrawn its opposition to said application,

It is Ordered that the appearance of Automated Bread Distributors Corp. before the Grand Jury be and hereby is stayed pending the determination of its appeal from the order of this Court dated July 22, 1976, on condition that Automated complies with the Federal Rules of Appellate Procedure and the Rules of the United States Court of Appeals: Second Circuit, in such cases provided.



**CERTIFIED COPY OF ORDER FOR A SPECIAL GRAND JURY  
(Filed August 18, 1976)**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----x  
UNITED STATES OF AMERICA

ORDER FOR A SPECIAL  
GRAND JURY

-vs-

JOHN DOE, ET AL

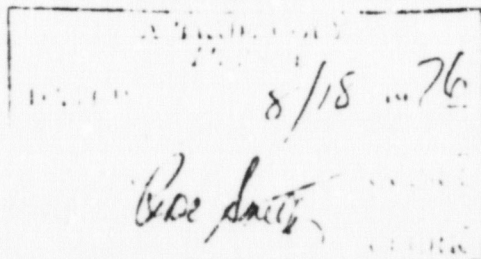
DEFENDANTS  
-----x

Upon the motion of the United States of America by the United States Attorney for the Eastern District of New York, this Court having determined that the volume of business of the present Special Grand Juries investigating organized crime activities in the Eastern District of New York exceeds the capacity of the said present Special Grand Juries to discharge their obligations, it is

ORDERED that, pursuant to Title 18, United States Code, Sections 3331, 3332, a Special Grand Jury be convened on or about October 20, 1975 to serve for a period of eighteen (18) months from the date it is convened or until such time prior thereto as an Order for its discharge is entered by the Court pursuant to law or until such time as its term may be extended pursuant to law.

DATED: BROOKLYN, NY

*U.S. 6, 1975*



*[Signature]*  
UNITED STATES DISTRICT JUDGE  
EASTERN DISTRICT OF NEW YORK

**BEST COPY AVAILABLE**



FEDERAL COURT  
SECOND CIRCUIT

Index No.

GRAND JURY SUBPOENA DUCES TECUM,

Served Upon

Affidavit of Personal Service

AUTOMATED BREAD DISTRIBUTORS, CORP.,

Respondent-Appellant.

STATE OF NEW YORK, COUNTY OF NEW YORK

ss.:

I, James A. Steele being duly sworn,  
depone and say that deponent is not a party to the action, is over 18 years of age and resides at  
310 West 146th Street, New York, New York  
That on the 9th day of September 1976 at 225 Cadman Plaza Brooklyn, N.Y.

deponent served the annexed

appendix

upon

David G. Trager, U.S. Attorney Eastern  
District

the attorney in this action by delivering a true copy thereof to said individual  
personally. Deponent knew the person so served to be the person mentioned and described in said  
papers as the herein.

Sworn to before me, this 9th  
day of September 19 76

Beth A. Kirsh

BETH A. KIRSH  
NOTARY PUBLIC, State of New York  
My Comm. Expires 12/31/77  
Filing Office: New York County  
Notary Public for New York County, 1976

James A. Steele  
JAMES A. STEELE